

HOUSE BILL 2809

By Sontany

AN ACT to amend Tennessee Code Annotated, Title 55,
Chapter 17, relative to motor vehicle sales
licenses.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-17-111, is amended by deleting subdivision (g)(1) in its entirety and by substituting instead the following language:

(1) Each application for a license or renewal of a license of a motor vehicle dealer shall be accompanied by evidence satisfactory to such commission that such dealer has a surety bond in the amount of at least fifty thousand dollars (\$50,000) in force. A letter of credit shall not be satisfactory evidence of a surety bond in the required amount.

SECTION 2. Tennessee Code Annotated, Section 55-17-111, is further amended by deleting the first sentence of subdivision (g)(3) and substituting instead the following:

(3) In lieu of a corporate surety on the bond required by this subsection (g)(1), the commission may allow the dealer to secure such bond by depositing collateral in the form of a certificate of deposit, as accepted and authorized by the banking laws of the state of Tennessee, which has a face value equal to the amount of the bond.

SECTION 3. This act shall take effect July 1, 2008, the public welfare requiring it.